

Bioclarity News

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PLASTIC TAX UPDATE

From April 2022 the UK government will introduce new tax on plastic packaging. To help keep our customers informed we have compiled the following information.

WHY?

Due to the impact of its carbon footprint, single use and recyclability, plastic packaging has drawn growing attention from the public and media.

In 2017 the UK Government called for evidence to use taxation in a bid to tackle single use plastics. Following 162,000 responses the intention to impose a plastics tax was announced by the UK Government in 2018.

A consultation period revealed more than 380 million tonnes of plastic are produced globally each year. As much as 40% of this ends up in landfill, whilst just 16% is recycled, 25% is sent for energy recovery and 19% is littered.

WHO'S AFFECTED?

The tax will apply to both manufacturers producing and businesses importing more than 10 tonnes of plastic packaging per year affecting any business producing, importing and consuming qualifying products within the supply chain.

WHAT'S AFFECTED?

- > Plastic packaging (including biodegradable, compostable and oxo-degradable) which contains less than 30% recycled plastic content will be liable for a taxation.
- > Plastic must be the predominant component based on the item's weight when compared with other materials from which the packaging is made.
- > Plastic packaging filled or unfilled when imported will be liable to taxation.

- > Plastic packaging containing more than 30% recycled content will be exempt.

Examples of qualifying products (taken from gov.uk website)

- > plastic bags including:
 - carrier bags
 - bin liners and refuse sacks
 - food bags (such as sandwich bags)
 - nappy sacks
- > disposable cups including:
 - expanded polystyrene cups
 - vending machine cups
 - plastic wine and pint glasses
 - party cups
- > disposable plastic bowls and plates
- > gift wrapping such as ribbon and sticky tape
- > ready meal and vegetable pouches and packets
- > medical sharps bin (single use)

HOW MUCH WILL IT COST?

A taxation of £200 per tonne will be applied to qualifying products.

Manufacturers and importers are expected to submit plastic tax returns to HMRC and pay tax due. Failure to do so will incur civil and criminal penalties.

WHAT ARE WE DOING?

We are working closely with the HMRC and our manufacturers, suppliers and importers to understand which products will be affected.

Once the database of qualifying products has been compiled, we will communicate the impact to our customers.



EXPECTED IMPACT TO OUR CUSTOMERS?

Tax liability is likely to be included in the cost of the product, depending on the single use plastic content. Customers may choose to incur this charge or switch to products made from alternative materials not subject to the plastics tax. In the majority of cases this increase is expected to be lower than the cost of alternative products.

EXPECTED OUTCOME?

The increase in the recycled content of plastic packaging is expected to generate approx. 200,000 tonnes of CO₂ saving per annum and an excess of £200M per annum for the Exchequer.

The introduction of tax on packaging with no or low recycled content will apply pressure to drive a circular economy reducing the use of single use plastics and manufacturer requirements for virgin material.



Taken from European Commission Website 11th Jan 2022.